



County of Los Angeles
CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

August 7, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DOIN KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**DEPARTMENT OF PUBLIC HEALTH: ACCEPTANCE OF STANDARD AGREEMENT
AMENDMENT NUMBER 04-35828, A01 FROM THE CALIFORNIA DEPARTMENT OF
HEALTH SERVICES FOR THE PUBLIC HEALTH LABORATORY GENOTYPING
PROJECT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT THE BOARD:

Approve and instruct the Director of the Department of Public Health (DPH), or his designee, to accept and sign the California Department of Health Services' (CDHS) Standard Agreement Amendment Number 04-35828, A01, (Exhibit I) which reduces Fiscal Year (FY) 2006-07 funding to support DPH's HIV-1 Viral Resistance Testing (Genotyping Project) by \$48,000 from \$500,000 to \$452,000, with no net County cost to DPH.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPH is requesting approval of the recommended action due to CDHS' decrease in funding support for the Genotyping Project. The decrease in funding for the Genotyping Project is a result of DPH's inability to substantiate the expected number of tests performed for Viral Resistance Testing (VRT) by DPH's Public Health Laboratory (PHL), as well as accommodate the increase in Viral Load Testing (VLT).

Since inception of the Genotyping Project, the projected number of HIV-1 genotyping tests was estimated at 1,250 specimens per year (actual number of tests 1,130), with the expectation that resistance testing would provide physicians with advanced means of monitoring their client's prognosis and response to drug treatment and therapy. As there are 34 facilities submitting specimens to DPH's PHL for HIV-1 Genotyping testing, in 2006, only 531 specimens were submitted for testing (82 of which were Medi-Cal patients, and therefore testing of these specimens were not reimbursable by CDHS); 125 samples were rejected due to improper transport of specimens, improper specimen collection, or incomplete client information on vouchers accompanying specimens.

"To Enrich Lives Through Effective And Caring Service"

As genotyping results provide physicians with the ability to administer a variety of antiretroviral drugs to see which combinations are therapeutically advantageous, patients are getting better, and the need to test frequently is not warranted. Resistance testing services are reimbursable from CDHS as a fee-for-service, and therefore, there is no net County cost impact to DPH as a result of this decline in resistance testing. As CDHS supports both VRT and VLT Programs, the overall funding allocated to both programs are based on HIV testing services provided by DPH's PHL during each FY, which can increase VLT funds when VRT services are on the decline.

FISCAL IMPACT/FINANCING

When originally approved by your Board on February 1, 2005, DPH's Genotyping Project was to receive \$1,500,000 from CDHS for the period July 1, 2004 through June 30, 2007, or \$500,000 per FY. Standard Agreement Amendment Number 04-35828, A01 decreases the grant amount for FY 2006-07 by \$48,000 resulting in a decrease in the total grant funding for FY 2006-07 from \$500,000 to \$452,000, or a total decrease in the Genotyping Project grant funding from \$1,500,000 to \$1,452,000. As explained above, there is no net County cost associated with this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 1, 2005, the Board approved Standard Agreement No. 04-35828, effective July 1, 2004, through June 30, 2007, in the amount of \$1,500,000. Funding for each of the three FYs was \$500,000.

On April 16, 2007, DPH received notice from CDHS that funding for FY 2006-07 would be decreased in the amount of \$48,000.

DPH's PHL performs HIV-1 genotyping testing on specimens drawn from eligible HIV-1 infected individuals. Blood specimens are drawn at designated clinical sites and transported to DPH's PHL for analysis to measure drug resistance utilizing a specific technology proprietary to Monogram BioSciences, Incorporated. The overall Resistance Testing program is coordinated by CDHS Viral and Rickettsial Disease Laboratory and is funded and administered by CDHS Office of AIDS.

The decrease of \$48,000 FY 2006-07 was offset by a decrease of 120 HIV-1 Viral Resistance Tests (reimbursable at \$400 per test), declining from 1,250 tests to 1,130 tests during FY 2006-07 for a total of \$452,000.

Attachment A provides additional information. Attachment B is the Project Budget for FY 2006-07.

Exhibit I has been reviewed and approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

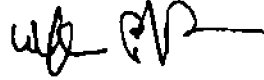
The recommended Board action has no impact on current services, as the action relates to services provided in FY 2006-07. Resistance testing services are reimbursable from CDHS and as a result of the decreased number of tests performed by DPH in FY 2006-07, the reimbursable funding for these tests is being aligned to the actual number of tests performed during the FY.

Honorable Board of Supervisors
August 7, 2007
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CONCLUSION

DPH requires four signed copies of the Board's action. It is requested that the Executive Officer, Board of Supervisors, notifies the Department of Public Health, Contracts and Grants Division, at (213) 240-7832 when this document is available.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
DRJ:RM:bjs

Attachments (3)

c: County Counsel
Director and Health Officer, Department of Public Health

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

The Department of Public Health (DPH), Public Health Laboratory (PHL) will perform HIV-1 resistance testing (genotyping testing) on specimens drawn from eligible HIV-1 infected individuals. Blood specimens will be drawn at designated clinical sites and transported to the PHL for analysis to measure drug resistance utilizing specific technology propriety to Visible Genetics Incorporate.

2. AGENCY ADDRESS AND CONTACT PERSON:

California Department of Health Services
Office of AIDS – Early Intervention Section
MS 7700, P.O. Box 997426
Sacramento, California 95899-7426
Attention: Ms. Drew Young, Contract and Grants Unit
Telephone (916) 449-5931 E-mail: ayoung3@dhs.ca.gov,
Facsimile: (916) 449-5909

3. TERM OF AGREEMENT:

Effective July 1, 2004 through June 30, 2007

4. FINANCIAL IMPACT/FINANCING:

When originally approved by your Board on February 1, 2005, DPH's Genotyping Project was projected to expand and receive CDHS funding of \$1,500,000 million for the period of July 1, 2004 through June 30, 2007, or \$500,000 for each FY. Standard Agreement Amendment Number 04-35828, A01 decreases the grant amount for FY 2006-07 by \$48,000 resulting in a decrease in the total grant funding for FY 2006-07 from \$500,000 to \$452,000, and a decrease in the total Genotyping Project grant funding amount from \$1,500,000 to \$1,452,000. There are no net County costs associated with this action.

5. GEOGRAPHIC AREA TO BE SERVED:

Countywide.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Robert Kim-Farley, M.D., M.P.H., Medical Director
Communicable Disease - Public Health Laboratory

7. APPROVALS:

Public Health Programs:	John F. Schunhoff, Ph.D., Chief Deputy Director
Contract Administration:	Gary T. Izumi, Division Chief
County Counsel (approval as to form)	Maya Lee, Deputy County Counsel

Los Angeles County Chief Administrative Office
Grant Management Statement for Grants Exceeding \$100,000

Department: Public Health – Public Health Laboratory

Grant Project Title and Description
Public Health Laboratory Genotyping Project

Funding Agency
California Department of
Health Services

Program (Fed. Grant #State Bill or Code #)
Standard Agreement No. 04-3528, A01

Grant Acceptance Deadline

Total Amount of Grant Funding: \$1,452,000

County Match Requirements:

Grant Period: FY July 1, 2004 - June 30, 2007

Begin Date: 7/01/06 End Date: 06/30/2007

Number of Personnel Hired Under this Grant:

Full Time

Part Time 0

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary "N" items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires Yes ☐ No ☒ --

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

b). Identify other revenue sources Yes ☐ No ☒

(Describe)

c). Eliminate or reduce, as appropriate, positions/program costs funded by this grant Yes ☒ No ☐

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature



Date

7-26-07

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICES
PUBLIC HEALTH LABORATORY
STATE/OAPP GENOTYPING PROJECT
BUDGET
BUDGET PERIOD: 7/1/06 - 6/30/07

Attachment B

Description	# of FTE	FTE%	MONTHS	MONTHLY SALARY (7/04-12/04)	MONTHLY SALARY (1/02-6/05)	OAPP GENOTYPING PROJECT
I. PERSONNEL SERVICES						
Clinical Microbiologist II	1	100%	12	0.00	0.00	
PH Microbiologist II	2	100%	12	5,615.82	5,615.82	134,780
Laboratory Assistant	1	100%	12	2,636.55	2,636.55	31,639
Subtotal Salaries	4					\$166,419
Less: Salary Savings					30.0000%	(49,926)
Total Net Salaries						\$116,493
Employee Benefits @ 40.0700% of net salaries					40.0700%	48,679
TOTAL PERSONNEL						\$163,172
II. OPERATING EXPENSES						
Laboratory Reagents and Supplies						263,433
TOTAL OPERATING EXPENSES						\$263,433
III. INDIRECT COST (on total net salaries)					21.8000%	\$25,395
TOTAL PROJECT COSTS						\$452,000

NOTE:

1. State Genotyping Project: \$400 x 1130 vouchers = \$452,000.
2. Budget for each line item is allocated based on the number of vouchers.



☐ Check here if additional pages are added: ___ Page(s)

Agreement Number 04-35828	Amendment Number A01
Registration Number:	

1. This Agreement is entered into between the State Agency and Contractor named below:
State Agency's Name California Department of Health Services (Also referred to as CDHS, DHS, or the State)
Contractor's Name County of Los Angeles (Also referred to as Contractor)
2. The term of this July 1, 2004 through June 30, 2007
Agreement is:
3. The maximum amount of this \$ 1,452,000
Agreement after this amendment is: One Million, Four Hundred Fifty-Two Thousand Dollars.
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:
 - I. Amendment effective date: January 1, 2007.
 - II. Purpose of amendment: This amendment reflects a reduction of certain Scope of Work activities and a decrease in the budget for year 3. The Contractor will reduce the number of HIV-1 Resistance Tests (RT) provided to eligible clients by 120 (at \$400.00 per test) in order to allow for the reduction in the budget.
 - III. Certain changes made in this amendment are shown as: Text additions are displayed in bold and underline. Text deletions are displayed as strike through text (i.e., Strike).
 - IV. Paragraph 3 (maximum amount payable) on the face sheet of the original STD 213 is decreased by \$48,000 and is amended to read: \$1,500,000 (One Million, Five Hundred Thousand Dollars) \$1,452,000 (One Million, Four Hundred Fifty-Two Thousand Dollars).

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use Only
Contractor's Name (If other than an individual, state whether a corporation, partnership, etc.) <u>County of Los Angeles</u>		
By (Authorized Signature) 	Date Signed (Do not type)	
Printed Name and Title of Person Signing <u>Dr. Jonathan Fielding, MD, MPH, Director of Public Health</u>		
Address <u>C/O Dr. Sue Sabet</u> <u>12750 Erickson Avenue, Downey, CA 90242</u>		<input checked="" type="checkbox"/> Exempt per: OOA transaction is PCC exempt per applicable Budget Act.
STATE OF CALIFORNIA		
Agency Name <u>California Department of Health Services</u>		
By (Authorized Signature) 	Date Signed (Do not type)	
Printed Name and Title of Person Signing <u>Allan Chinn, Chief, Contracts and Purchasing Services Section</u>		
Address <u>1501 Capitol Avenue, Room 71.2101, MS 1403, P.O. Box 997413</u> <u>Sacramento, CA 95899-7413</u>		